

October 21, 2021

2022 GENERAL RATE APPLICATION
Undertaking #29 Transcript Page 1117**Undertaking #29**

MPI to provide a breakdown of the 14.3 million data processing expenses and how much applies to the new standards that prevent capitalization.

RESPONSE:

Figure 1 below outlines the \$14.3 million increase in Basic data processing expenses for Improvement Initiatives by projects and cost categories from the 2022 GRA to the 2022 GRA rate update. Factors that impact this change is MPI's shift to agile project implementation methodologies and cloud based software as a service, both of which result in more expense initiatives.

Figure 1 Changes in Data Processing Expenses - Improvement Initiatives - Basic (2022 GRA vs 2022 GRA Rate Update)

Line No.	Description	Projects	Increase / (Decrease)
1	Ext Labour - Other	TRM-2021	(390)
2	Ext Labour - Other	TRM-2022	1,580
3	Computer Costs - Other	TRM-2022	88
4	Software - Other	TRM-2022	88
5	Ext Labour - Other	Insertions of work	211
6	Licence Fees	Insertions of work	23
7	Ext Labour - Other	Innovation Funding	1,756
8	Licence Fees	Innovation Funding	195
9	Ext Labour - Other	Digital Culture (MS365 & remote work)	585
10	Licence Fees-Other	Digital Culture (MS365 & remote work)	195
11	Ext Labour - Other	Data & Analytics	1,814
12	Licence Fees	Data & Analytics	605
13	Ext Labour - Other	Cloud Adoption	1,951
14	Licence Fees	Cloud Adoption	1,951
15	Ext Labour - Other	Knowledge Platforms and Content Management	780
16	Licence Fees	Knowledge Platforms and Content Management	780
17	Ext Labour - Other	Public Website and Partner websites	780
18	Licence Fees	Knowledge Platforms and Content Management	780
19	Licence Fees-Other	Nova-P&C	115
20	Ext Labour - Other	Nova-Leadership	405
21	Total Change - Improvement Initiative Data Processing Expenses (\$000s)		14,292